District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

NFO Permit No.

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12 (See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC) RCUD OCT 2'14 Applicant: A. WPX Energy Production, LLC OIL CONS. DIV. DIST. 3 whose address is: P.O. Box 640, Aztec, NM 87410, hereby requests an exception to Rule 19.15.18.12 until 11/1/14, for the following described tank battery (or LACT): Name of Lease: Chaco 2307-12E #169H API-30-039-31211 Name of Pool: Lybrook Gallup Location of Battery: Unit Letter E Section 12 Township 23N Range 7W Number of wells producing into battery 2 B. Based upon oil production of 130 barrels per day, the estimated volume of gas to be flared is 460 MCF/D; Value: \$1840 per day. C. Name and location of nearest gas gathering facility: Beeline Gas Systems, Sec 12, T23N, R07W Distance BUILT Estimated cost of connection ___ D. This exception is requested for the following reasons: WPX Energy requests authorization to flare this E. well due to an expected spike in nitrogen content from frac activity. On or about 10/1/14 frac activity is expected to begin on the Chaco 2307-12L #171H. This activity is expected to cease on 10/4/14. WPX is planning to flare on or around 10/6/14 until or prior to 11/1/2014. We should see pipeline quality gas by 11/1/14. A gas analysis conducted by a 3rd party will be submitted upon the acquisition of the results. OIL CONSERVATION DIVISION **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation 1-2-2014 Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signature Printed Name SUPERVISOR DISTRICT # 3 & Title _____Mark Heil, Regulatory Specialist OCT 0 2 2014

Date

Telephone No. (505) 333-1806

E-mail Address mark.heil@wpxenergy.com

Date: 10/1/2014

Gas-Oil ratio test may be required to verify estimated gas volume.